
ASCENSION PARISH SALES AND USE TAX AUTHORITY

GONZALES, LOUISIANA

FINANCIAL STATEMENT

YEAR ENDED JUNE 30, 2013

ASCENSION PARISH SALES AND USE TAX AUTHORITY

GONZALES, LOUISIANA

FINANCIAL STATEMENT

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	3-5
BASIC FINANCIAL STATEMENTS	
<u>Fund Financial Statements (FFS)</u>	
Statement of Fiduciary Net Assets-Fiduciary Funds	6
Notes to the Financial Statements	7-11
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	12-13
Schedule of Findings and Response	14
Schedule of Prior Year Findings	15

INDEPENDENT AUDITORS' REPORT

Board of Directors
Ascension Parish Sales and Use
Tax Authority
Gonzales, Louisiana

We have audited the accompanying financial statements of the Ascension Parish Sales and Use Tax Authority as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Ascension Parish Sales and Use Tax Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Ascension Parish Sales and Use Tax Authority as of June 30, 2013, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2013, on our consideration of Ascension Parish Sales and Use Tax Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ascension Parish Sales and Use Tax Authority's internal control over financial reporting and compliance.

Postlethwaite & Nettleton

October 31, 2013
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

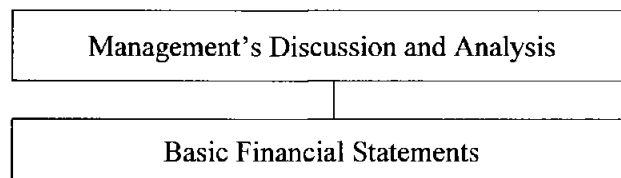
The Management's Discussion and Analysis of the Ascension Parish Sales and Use Tax Authority's financial performance presents a narrative overview and analysis of Ascension Parish Sale and Use Tax Authority's financial activities for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- ★ The Ascension Parish Sales and Use Tax Authority's 2013 collections increased over the previous fiscal year by \$22,648,769 or 20%.
- ★ Sales tax collections increased compared to prior year because of stronger economic conditions the Parish experienced in the retail and Petro chemical industries.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Fund financial statements. A fund is grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The Ascension Parish Sales and Use Tax Authority like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Ascension Parish Sales and Use Tax Authority accounts for its activities in a fiduciary fund.

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties such as other governments. The Ascension Parish Sales and Use Tax Authority uses the agency fund to account for sales taxes and occupational licenses which it collects for other governmental entities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Fiduciary Assets and Liabilities

As of June 30, 2013

(Table 1)

	<u>2013</u>	<u>2012</u>
Total Current Assets	\$ <u>12,592,075</u>	\$ <u>10,396,825</u>
Accounts Payable	735,738	484,131
Due to taxing bodies	11,808,470	9,866,335
Compensated Absences	<u>47,867</u>	<u>46,359</u>
Total Liabilities	\$ <u>12,592,075</u>	\$ <u>10,396,825</u>

- Total current assets have increased approximately \$2,195,250 or 21% from prior year. The Parish experienced increases in collections for both retail and the chemical industries.
- Due to taxing bodies has increased approximately \$1,942,135 or 20%.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

Changes in Due to Taxing Bodies
(Table 2)

	<u>2013</u>	<u>2012</u>
Additions		
Taxes and licenses collected, net	\$ 138,709,542	\$ 116,061,998
Interest	4,031	2,806
Total revenues	<u>138,713,573</u>	<u>116,064,804</u>
Reductions		
School Board	58,725,893	49,379,589
Parish Council	21,482,537	17,339,233
Drainage District	13,422,847	11,341,354
City of Gonzales	13,831,585	12,979,430
District No. 2	10,423,682	8,351,789
Sheriff	10,213,682	8,351,832
City of Donaldsonville	2,461,523	1,839,097
Hospital District	1,247,420	980,849
Sorrento	589,774	537,638
Tanger Mall DD	957,566	-
Occupational License	1,881,185	1,725,754
Occupancy tax	437,464	323,229
Tax Free	59,430	46,837
Operating Expenses	<u>1,036,850</u>	<u>1,060,437</u>
Total expenses	<u>136,771,438</u>	<u>114,257,068</u>
Increase in due to taxing bodies	<u>\$ 1,942,135</u>	<u>\$ 1,807,736</u>

- Total revenues increased by approximately \$22.6 million to \$139 million. The change in revenue increased due to growing economic conditions during the year. Retail industries in the Parish experienced 6%-9% increases in sales. Collections of the petro chemical industry showed increases of approximately 27%.
- Total expenses increased approximately \$22.5 million or 20 percent. About 99% of expenses are the payment of the sales taxes and occupational licenses collected. The other 1% consists of operating expenses used by the Sales Tax Authority for services performed by its office. Approximately 69 percent of operating expenses are for salaries paid to employees.

**CONTACTING THE ASCENSION PARISH SALES AND USE TAX AUTHORITY'S
MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark West, Tax Administrator, Ascension Parish Sales and Use Tax Authority, P.O. Box 1718, Gonzales, LA 70707.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION-FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and Cash equivalents	\$ 12,557,222
Other assets	<u>34,853</u>
Total Assets	<u>\$ 12,592,075</u>
<u>LIABILITIES</u>	
Protested tax payments	\$ 735,738
Due to taxing bodies	11,808,470
Compensated Absences	<u>47,867</u>
Total Liabilities	<u>\$ 12,592,075</u>

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Ascension Parish Sales and Use Tax Authority was created October 5, 1989 for the purpose of collecting, administering and distributing the various sales and use taxes levied by entities within Ascension Parish, and the occupational license tax and the hotel/motel tax for the Ascension Parish Council. The Authority is governed by a Board of Directors. The Board is composed of the Chief Administrative Officer (or appointee) for each governing authority of any participating entity having a history of collecting in excess of \$1,000,000 of sales taxes for two consecutive years. As of year end, the Board consisted of members from the Ascension Sales and Use Tax Authority, Ascension Parish Council, Ascension Parish School Board, the Ascension Parish Sheriff, the City of Gonzales, and the City of Donaldsonville.

1. Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Authority includes all funds that are within oversight responsibility of the Authority.

Fiduciary Fund Type:

Agency Fund - The Agency Fund is used to account for assets held by the Ascension Parish Sales and Use Tax Authority in a trustee capacity or as an agent for the taxing authorities.

B. Basis of Presentation

Fiduciary Fund Financial Statements: The fund financial statements provide information about the Authority's fund, the fiduciary fund. A statement for the fiduciary fund category is presented in the statement. The emphasis of fund financial statements is on major governmental funds, displayed in their own column.

Agency Funds are accounted for on the full accrual basis of accounting. Collections of sales taxes are recognized when received and expenditures are recognized when the related fund liability is incurred, regardless of when the related cash flows take place.

C. Measurement Focus, Basis of Accounting

The fiduciary fund financial statements are reported using the economic resources measurement focus. All fiduciary funds of the Authority follow all standards issued by the Governmental Accounting Standards Board, FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinion, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

D. Cash and Cash Equivalents

State law authorizes the Ascension Parish Sales and Use Tax Authority to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the Ascension Parish Sales and Use Tax Authority may invest these deposits in certificates of deposit or other investments permitted by law. The Ascension Parish Sales and Use Tax Authority's deposits were in checking accounts at June 30, 2013.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

F. Participating Entities

As of June 30, 2013, the Authority collected taxes for the following entities.

1. Ascension Parish Council
2. Ascension Parish School Board
3. Ascension Parish District Number Two
4. City of Gonzales
5. City of Donaldsonville
6. City of Sorrento
7. East Ascension Drainage District
8. West Ascension Hospital Service District
9. Ascension Parish Sheriff
10. Tanger Mall Development District (c/o City of Gonzales)

G. **Recently Issued Accounting Principles**

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of fiduciary net assets is renamed the statement of fiduciary net position. The Authority adopted GASB Statement 63 in 2013.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences

Employees accrue from 10 to 12 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 45 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on a 45-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, unpaid accumulated sick leave is used in the retirement benefit computation as earned service.

All 12-month employees earn from 10 to 20 days of annual vacation leave per year depending on length of service with the School Board. Vacation time does not vest.

In Fiduciary Fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expense in the year claimed. Sick leave has been accrued as of the end of the fiscal year and is valued using employees' current rates of pay. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

2. Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a deposit policy for custodial risk. As of June 30, 2013, the bank balance was not exposed to custodial credit risk.

3. Taxes Paid Under Protest/Litigation

The Authority has existing suits against it involving taxes paid under protest. The amount of taxes paid under protest balance at June 30, 2013 was \$735,738.

4. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 31, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

5. Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due others follows:

	<u>June 30, 2013</u>
Balance, beginning of year	<u>\$ 9,866,335</u>
Additions	
Taxes and licenses collected	138,709,542
Interest	4,031
	<u>138,713,573</u>
Reductions	
Taxes paid - School Board	58,725,893
- Parish Council	21,482,537
- Drainage District	13,422,847
- Gonzales	13,831,585
- District No. 2	10,423,682
- Sheriff	10,213,682
- Donaldsonville	2,461,523
- Hospital District	1,247,420
- Sorrento	589,774
- Tanger Mall DD	957,566
- Occupational License	1,881,185
- Occupancy tax	437,464
- Tax Free	59,430
- Operating Expenses	1,036,850
	<u>136,771,438</u>
Balance, end of year	<u>\$ 11,808,470</u>

6. Collections on Behalf of Other Taxing Authorities

A summary of total collections and distribution that have been distributed to each taxing authority as of June 30, 2013 follows:

	<u>Total Collections</u>	<u>Collection Costs</u>	<u>Final Distribution</u>
School Board (2%)	\$ 59,161,073	\$ 435,180	\$ 58,725,893
Parish Council (1%)	21,658,069	175,532	21,482,537
Drainage District (0.5%)	13,524,450	101,603	13,422,847
City of Gonzales (2%)	13,900,935	69,350	13,831,585
District No. 2 (0.5%)	10,510,480	86,798	10,423,682
Sheriff (0.5%)	10,300,480	86,798	10,213,682
City of Donaldsonville (2%)	2,476,476	14,953	2,461,523
Hospital District (0.5%)	1,254,552	7,132	1,247,420
Sorrento (2%)	592,926	3,152	589,774
Tanger Mall DD (1%)	961,486	3,920	957,566
Occupancy Tax (2%)	440,108	2,644	437,464
OLT	1,929,750	48,565	1,881,185
	<u>\$ 136,710,785</u>	<u>\$ 1,035,627</u>	<u>\$ 135,675,158</u>

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

7. Defined Benefit Pension Plans and Postemployment

Substantially all employees of the Authority are members of Teachers Retirement Systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by a board of trustees. Pertinent information relative to each plan follows:

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The Authority is required to contribute at an actuarially determined rate. The current rates are 24.5, 30.0, and 26.6 percent for the Regular Plan, Plan A, and Plan B, respectively, of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirements Systems' Actuarial Committee. The Authority's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the Authority.

The Authority's contributions to the TRS for the years ended June 30, 2013, 2012, and 2011 were \$120,494, \$108,117, and \$92,314, respectively, which equals to the required contributions for each year.

8. Operating Lease Commitments

The Authority leases office space to tenants under noncancelable operating leases with five year lease terms, commencing on August 1, 2009. The following is a schedule by years of future minimum rentals under the leases at June 30, 2013:

Year Ending June 30:

2014	43,476
2015	3,623
	<u>\$ 47,099</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS**

Board of Directors
Ascension Parish Sales and Use Tax Authority
Gonzales, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ascension Parish Sales and Use Tax Authority, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Ascension Parish Sales and Use Tax Authority's basic financial statements, and have issued our report thereon dated October 31, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ascension Parish Sales and Use Tax Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ascension Parish Sales and Use Tax Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ascension Parish Sales and Use Tax Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiency. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ascension Parish Sales and Use Tax Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Posalthurath & Mettrick

October 31, 2013
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSE

YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of Ascension Parish Sales and Use Tax Authority.
2. No significant deficiencies were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Ascension Parish Sales and Use Tax Authority were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – COMPLIANCE

None

ASCENSION PARISH SALES AND USE TAX AUTHORITY

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2012

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS – COMPLIANCE

None